

## **Anti-Money Laundering Regulations**

I have recently made a high value transaction (over \$10,000) for a Rolex Submariner Bluesy. I have paid by check and both of my checks have been returned. I have decided to investigate this matter further. My findings are listed below.

1. According to one of my interactions with ChatGPT, I have learned that banks are required to file a currency transaction report after a certain threshold. Here is a copy of that interaction. **Currency Transaction Report (CTR)**

### **Threshold:**

- In the United States, banks are required to file a Currency Transaction Report (CTR) for transactions over \$10,000. This is a federal requirement under the Bank Secrecy Act (BSA). For deposits at or above this amount, banks will likely ask for documentation to verify the source of the funds.

I have decided to investigate the Bank Secrecy Act (BSA); I have learned from a Google Search that it was established October 26, 1970. According to <https://www.fincen.gov/resources/statutes-and-regulations/bank-secrecy-act> it defines the Bank Secrecy Act as, The Bank Secrecy Act

The Currency and Foreign Transactions Reporting Act of 1970, its amendments, and the other statutes relating to the subject matter of that Act, have come to be referred to as the Bank Secrecy Act (BSA). The BSA authorizes the Department of the Treasury to impose reporting and other requirements on financial institutions and other businesses to help detect and prevent

money laundering. Specifically, the regulations implementing the BSA require financial institutions to, among other things, keep records of cash purchases of negotiable instruments, file reports of cash transactions exceeding \$10,000 (daily aggregate amount), and to report suspicious activity that might signify money laundering, tax evasion, or other criminal activities. The BSA is sometimes referred to as an "anti-money laundering" (AML) law or jointly as "BSA/AML," and is codified at 12 U.S.C. 1829b, 12 U.S.C. 1951-1960, 31 U.S.C. 5311-5314, 5316-5336, and includes notes thereto.

I have checked Google Scholar case law section for NYS state, and have found a couple cases between the years August 14, 2015 and September 5, 2019. I have included them in this report below.

**SAM WIETSCHNER, derivatively on behalf of JPMORGAN CHASE & CO., Plaintiff,**

**v.**

**JAMES DIMON, LABAN P. JACKSON, JR., JAMES C. CROWN, WILLIAM C. WELDON, CRANDALL C. BOWLES, JAMES A. BELL, STEPHEN B. BURKE, LEE R. RAYMOND, TIMOTHY P. FLYNN, DAVID M. COTE, ELLEN V. FUTTER, and DAVID C. NOVAK, Defendants, and JPMORGAN CHASE & CO., Nominal Defendant.**

Docket No. 650079/14, Mot. Seq. Nos. 001 & 002.

**Supreme Court, New York County.**

August 14, 2015.

**HUMAIRAH AKHTAR, SYED HUSSAIN-AAMIR, DAKHAKHNI  
ABDULHAMID H, MAX FRICKER, JAYVANT HEERA, HOLGER  
HALFMANN, KUNAL PATEL, BENJAMIN KOLLOORI, DANIEL  
MOORE, KRISH PRABHAKAR, DHANESH SHELAT, AMIR  
ZEBIAN, SAJAN SHAH, Plaintiffs,  
v.  
JPMORGAN CHASE & CO., Defendant.**

Docket No. 652274/2018, Motion Seq. No. 001.

**Supreme Court, New York County.**

Motion November 20, 2018.

September 5, 2019.

According to further interaction with ChatGPT there were two  
other reasons why

My checks were returned. I have listed the reasons along with an  
analysis in this report.

### **1. Lower Internal Thresholds:**

- Many banks have internal policies with lower thresholds for requesting documentation, often starting around \$5,000 to \$10,000. These policies help banks manage risk and comply with anti-money laundering (AML) regulations.

Even though it would require further extensive research into the banks individual internal threshold amounts, I personally still agree with them.

## **1. Unusual or Suspicious Activity:**

- If a deposit is unusual for your account or fits a pattern of suspicious activity (e.g., multiple small deposits just under the reporting threshold), banks may ask for documentation even if the amount is below their standard thresholds.

A couple notable examples would be the following, Unusual Large Deposits:

If you usually make small deposits and suddenly deposit \$7,000, your bank might ask for documentation due to the unusual nature of the deposit.

- **Series of Smaller Deposits:**

- If you make several smaller deposits that collectively amount to a large sum within a short period, the bank might request documentation to ensure the legitimacy of the funds.

In Conclusion based off these potential reasons through my conversation with ChatGPT, I would utilize check payments for any amounts under \$5,000 when making a purchase, any amount over \$5,000 would require a credit card or wire to complete the transaction. As far as deposit patterns I would be more conscientious regarding the type of pattern my transaction history is displaying. So that way I would avoid additional verification the bank is required to conduct by law.